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MedSci Healthcare Holdings Limited
梅 斯 健 康 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2415)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of MedSci Healthcare Holdings Limited announces the audited consolidated annual results of the Company and its subsidiaries for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Year-on-year movement*
	2024	2023	
	(RMB'000)		%
Revenue	**260,623**	349,194	−25.4
Cost of sales	**98,449**	132,587	−25.7
Gross profit	**162,174**	216,607	−25.1
Profit for the year	**24,967**	55,042	−54.6
Profit attributable to owners of the parent	**24,967**	55,042	−54.6

* Year-on-year movement% represents a comparison between the Reporting Period and the Corresponding Period.

Revenue by solution category

	For the year ended 31 December				Year-on-year movement*
	2024		2023		
	(RMB'000, except percentage)				
		%		%	%
Revenue					
Precision omni-channel marketing solutions	**115,097**	**44.2**	173,764	49.8	−33.8
Physician platform solutions	**109,771**	**42.1**	120,045	34.4	−8.6
RWS solutions	**35,755**	**13.7**	55,385	15.9	−35.4
Total	**260,623**	**100**	349,194	100	−25.4

* Year-on-year movement% represents a comparison between the Reporting Period and the Corresponding Period.

Revenue decreased by approximately RMB88.6 million, or approximately 25.4%, from approximately RMB349.2 million for the year ended 31 December 2023 to approximately RMB260.6 million for the year ended 31 December 2024.

Profit attributable to owners of the parent arising from continuing operations for the year ended 31 December 2024 was approximately RMB25.0 million, representing a decrease of approximately RMB30.1 million or 54.6% as compared to the year ended 31 December 2023.

The basic and diluted earnings per share for 2024 amounted to approximately RMB0.05 and RMB0.05 respectively.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

BUSINESS OVERVIEW

In 2024, the anti-corruption policies in the healthcare sector and the introduction of the "Implementation Plan for the Full-Chain Support for the Development of Innovative Drugs" (《全鏈條支持創新藥發展實施方案》) propelled the transformation of the industry towards compliant, academic-oriented and digital development at a faster pace. Despite the short-term challenges such as the average reduction rate of centralized procurement of drugs exceeding 90% and the prolonged compliance review cycle, the Group has fulfilled a holistic intelligent upgrade of the healthcare scenario through the in-depth integration of AI intelligence solution. With its domain expertise, the new generation of MSchat AI intelligence solution has developed its three core competencies in the field of clinical trial design, achieving a leap-frog breakthrough from the capability for general purpose to vertical scenarios. Leveraging the medical research data accumulated in more than a decade, the Group has established a precision service network covering 3.33 million registered physicians, thereby fostering the core capability to cope with changes.

With the evidence-based logic of medical proof at its core, the Group has developed a business matrix covering the entire chain of generation, dissemination and decision-making of medical-proof, and fulfilled the compliant sharing of medical data and its value exploration through an AI-driven digital platform. As at 31 December 2024, the Group has accumulated more than 5.28 million members, of which 3.33 million are registered physician, forming an intelligent ecosystem centered on clinical research data, healthcare product knowledge base and expert insights, with services penetrating into hospitals, experts, pharmaceutical companies and other scenarios.

As at 31 December 2024, the Group has accumulatively provided medical solutions to 12 top research hospitals in China and covered over 2,000 hospitals, extending its reach from first- and second-tier cities to county-level and grassroots healthcare institutions. As at 31 December 2024, the Group had accumulatively served 613 pharmaceutical and medical device enterprises.

In the wake of the anti-corruption campaign in the healthcare industry that is reshaping the ecosystem of the pharmaceutical industry, despite being crucial for the long-term healthy development of the industry, this profound transformation has led to tightened client budgets and a decline in revenue in the short term. Through continuing innovation and proactive market response strategies, the Group is mitigating these short-term impacts, while being prepared to seize future growth opportunities. In 2024, the Group strategically stepped up the R&D of AI technology, focusing on the innovative applications in the medical sector. It has significantly enhanced service precision and operational efficiency through intelligent means, so as to deliver more efficient solutions to customers. At the same time, the Group has accelerated the progress of its going-global strategy to build a global service network through overseas market expansion. Despite the fact that the above forward-looking business layout has driven the cost of R&D investment and operating costs in the short term, resulting in the pressure on the phasal results, it has laid a solid foundation for the cultivation of core competitiveness in the future. For the year ended 31 December 2024, the Group's total revenue was approximately RMB260.6 million, with a year-to-year decrease of approximately 25.1% in gross profit and a year-to-year increase of approximately 0.2 percentage points in gross profit margin, mainly because the Group actively responded to the national call to conduct strict compliance reviews in collaboration with pharmaceutical enterprise clients to ensure that all academic research and promotional activities comply with the latest national compliance standards. Although these reviews have slightly extended the project execution and settlement cycles with temporary impact on project execution and completion settlement cycles, leading to a decrease in revenue, this is to ensure the long-term compliance and sustainable development of all business operations. With the gradual completion of compliance reviews and the implementation of new standards, the Group anticipates that project execution speeds will gradually return to normal and are expected to accelerate further in the future. We firmly believe that this is a necessary step to safeguard the Company's long-term stability and will bring greater market trust and cooperation opportunities to the Company. In the precision digital marketing solutions business segment, the Group focused on key disease areas such as solid tumours, hematologic diseases, ophthalmology, immune diseases, and rare diseases to further strengthen its core competitiveness, enhance the customer experience, and increase average transaction value. The Group focuses on providing comprehensive marketing solutions for pharmaceutical and medical device enterprises by continuing to deliver high-quality products and solutions. For instance, during the Reporting Period, the Group launched solutions in various rare disease areas, including neurological disorders, to address the growing and diversified requirements of pharmaceutical and medical device enterprises. The Group has improved organisational efficiency related to customer value delivery, focusing on synergies and collaboration between business segments from both technical and commercial perspectives.

Driven by profound changes taking place in China's pharmaceutical industry, AI technology is reshaping the ecosystem of the pharmaceutical industry chain and promoting the formation of a complete chain from fundamental research to commercialisation. The efficient, compliant, evidence-driven commercialisation model for pharmaceutical and medical device products has become the inevitable alternative for Chinese pharmaceutical and medical device enterprises, while the integration of AI technology presents new opportunities and challenges to this model. Centering on the clinical research requirements of physicians, coupling with the powerful data processing and intelligent learning capabilities of AI technology, the Group has established innovative interactive models. For example, through AI-assisted diagnosis and optimized treatment plans, the Group is able to more precisely meet the needs of both physicians and patients, while improving healthcare quality and realising commercial value. By incorporating AI intelligence system into our clinical research information system, the Group has successfully upgraded the specialty databases of various tertiary A-level hospitals with high efficiency. In terms of academic marketing, the Group has developed a rare disease intelligence system, which provides clinical physicians with an efficient tool to quickly screen patients with rare diseases and enhances the efficiency of sales and marketing of rare disease medicine.

PHYSICIAN PLATFORM SOLUTIONS

The Group operates online professional physician platforms in China. As at 31 December 2024, our platform had approximately 3.33 million registered physician users and our average number of unique registered users, including all registered users such as physicians, nurses, pharmacists and other non-healthcare professional, that accessed our *MedSci* platform in each month during the Reporting Period reached approximately 3.0 million during the Reporting Period, which further consolidated our position as the professional physician platform. Our *MedSci* platform also features a high percentage of experienced physician users with the title of associate-chief physician (副主任醫師) and above, as well as a professional physician platform with active users. The total number of registered physician users on our *MedSci* platform who had the title of associate-chief physician and above represented approximately 73.2% of the total number of physicians in China who had obtained the title of associate-chief physician and above, based on the latest published information from the National Health Commission of China. As at 31 December 2024, our *MedSci* platform covered 42 research areas, including 716,000 entries of medical information, representing an increase of 45,000 entries as compared to that as at 31 December 2023; included 138,500 user communities, representing an increase of over 14,500 user communities as compared to that as at 31 December 2023; and maintained 9,960 physician communities, representing an increase of over 3,045 physician communities as compared to that as at 31 December 2023. Our *MedSci* platform is accessible through multiple channels such as website, mobile application, WeChat mini-program and WeChat public account. Such platform proactively engages physicians through means such as email, phone calls, WeChat, and WeChat groups. Contents available on our platform are principally and independently published by the Group. Furthermore, third parties, including pharmaceutical and medical device companies, industry associations, and individual self-media, are provided with ancillary support for their release of information.

During the Reporting Period, the Group was recognised as one of the first Shanghai Industrial Internet Demonstration Platforms, ranking first on the list. While continuing to follow the "Action Plan for Promoting High-Quality Development of Industrial Internet Platforms in Shanghai (2023–2025)" (《上海市促進產業互聯網平台高質量發展行動方案(2023–2025年)》), the Group closely aligned with the requirements of the manufacturing industry, optimised industry chain services, and committed ourselves to technological innovation, as a contributor to the joint efforts to drive capacity enhancement in the healthcare industry.

Meanwhile, in response to the policy requirements for high-quality hospital development, the Group further expanded its provision of intelligent-driven clinical research platforms and data analysis-driven solutions for departments and hospitals. As at 31 December 2024, the Group had provided clinical research solutions to 114 hospitals/311 departments, which is expected to become a new growth momentum for this segment.

For the year ended 31 December 2024, revenue from the physician platform solutions business amounted to approximately RMB109.8 million, representing a year-to-year decrease of approximately 8.6%. The reason for the decrease was primarily attributable to the fact that with the rapid development of AI, some of the functions of the IIT-related products were completed directly by customers utilizing AI, which in turn affected the total revenue. During the Reporting Period, the Group's inventory orders increased by approximately RMB20.1 million to approximately RMB105.5 million.

EVIDENCE-DRIVEN PRECISION OMNI-CHANNEL MARKETING SOLUTIONS

The government's continuing anti-corruption efforts in the pharmaceutical industry in China have accelerated the transition of traditional pharmaceutical companies' marketing models towards evidence-based and digital marketing. The activity on the physician platform, the medical academic competence, and digital technology constitute the new infrastructure for digital pharmaceutical marketing. Therefore, the Group has consolidated its RWS solutions business with its precision omni-channel marketing solutions business, categorising them under evidence-driven precision marketing solutions. By persisting in the development model driven by both medicine and digitalisation, the Group continues to strengthen its medical academic competence, with substantial growth achieved in the following areas:

(i) the Group's precision omni-channel marketing solutions mainly features the integration of academic marketing and digital marketing, which persists in the dual drive of medicine and digitalisation to promote the transformation of the pharmaceutical marketing model from traditional marketing models to digital and academic approaches, as pure digital marketing easily leads to the phenomenon where bad money drives out good money. As affected by policies including volume-based procurement and current anti-corruption campaigns in the healthcare industry, pharmaceutical and medical device enterprises have witnessed significant reduction in both revenue and profit, and therefore are actively seeking digital and academic marketing models, as well as marketing solutions to improve efficiency at lower costs, comply with regulations, and implement precise, value-based medicine, which aims to align with the current strict anti-corruption policies and identify alternatives to traditional marketing models;

(ii) the Group's precision omni-channel marketing solutions does not contradict digital marketing or on-ground marketing. It flexibly adopts multimodal marketing approaches according to different stages of product lifecycles. For example, in the early stages of launching innovative drug products, the Group closely integrates digital academic marketing with the ground sales teams of our clients to achieve the omni-channel coverage for greater marketing effectiveness; and

(iii) the Group adopts a value-based healthcare orientation. By persisting in the development model driven by both medicine and digitalisation, the Group explores the academic highlights of pharmaceutical and medical device products, which are used to identify the clinical application differences among different products. This allows the products to accurately match suitable patients, which is conducive to promoting rational use of drugs in clinical settings and facilitating the clinical recognition of the therapeutic value of the products, and ultimately benefits patients, as well as pharmaceutical and medical device enterprises.

During the Reporting Period, the demand for the precision omni-channel marketing solutions business continued to grow, particularly with a significant increase in orders from domestic pharmaceutical and medical device enterprises. However, both the pharmaceutical and medical device enterprises and physicians at hospitals increased compliance requirements in light of the current high national requirements, necessitating a longer period of compliance reviews by pharmaceutical and medical device enterprises and physicians at hospitals during project execution, which extended our project execution timeframe and therefore led to a decline in revenue for this segment during the Reporting Period. For the Reporting Period, revenue from this segment was approximately RMB115.1 million, representing a year-to-year decrease of approximately 33.8%. In response, the Group has focused on increasing marketing activities, optimising product offerings, adjusting pricing strategy and improving operational efficiency.

Our business has transitioned from single project to comprehensive solutions, with the average transaction value increasing from approximately RMB178,000 to approximately RMB335,000. During the Reporting Period, the share of comprehensive solutions increased from approximately 31% to approximately 47% year-on-year.

As at 31 December 2024, the Group had 613 active customers, including 492 core pharmaceutical, biotechnology, and medical device enterprise clients. During the Reporting Period, the revenue retention rate for the Group's top 10 customers was 100%. Among the Group's top 20 customers, 11 were multinational pharmaceutical companies and 18 were listed companies.

The anti-corruption campaign in the healthcare industry has accelerated the transformation of domestic pharmaceutical and medical device enterprises. For the year ended 31 December 2024, the Group added 76 new domestic pharmaceutical enterprise clients, with the inventory orders increasing by approximately RMB61 million to approximately RMB142 million, and the proportion of revenue from domestic pharmaceutical enterprises reaching approximately 61%.

RWS SOLUTIONS

In the area of RWS solutions, the Group provides pharmaceutical and medical device enterprises with high-quality and cost-effective post-marketing clinical research solutions, including real-world studies, pharmacovigilance studies, pharmacoeconomics research, and innovative device registration studies.

During the Reporting Period, the revenue from the Group's RWS solutions business was approximately RMB35.8 million, representing a year-to-year decrease of 35.4%. This decrease was primarily attributable to (i) extended project negotiation cycle during the Reporting Period due to the impact of the domestic anti-corruption and pharmaceutical market transformation; and (ii) reduction in completed projects resulting from delays in enrollment of researchers, attributed to a lack of motivation.

During the Reporting Period, the Group executed 208 projects, and the inventory orders increased from RMB155 million at the end of 2023 to RMB205 million.

OUTLOOK

The Group is well poised to be a pioneer and leader in the wavefront of the rapid transformation of China's pharmaceutical industry. Looking ahead, the Group will continuously introduce innovative AI and evidence-driven applications and solutions to capitalize on the huge market opportunities in China and beyond. In terms of our three strategic directions of expanding markets across Asia, enabling pharmaceutical companies of innovative drugs to go overseas, and driving the digital transformation of healthcare, the Group will continue its efforts to deliver greater value to industry participants within the ecosystem through its intelligent infrastructure.

Vision 1: MedSci Healthcare develops a new ecosystem for the global healthcare industry by pursuing two-wheel driven ecological empowerment

Centering on the "two-wheel driven" mode, MedSci Healthcare has achieved leapfrog development which is recognized by global capital market, from regional market expansion, through two pathways: empowering the going-global strategy of pharmaceutical companies and building a regional closed loop ecosystem.

MedSci Healthcare is committed to assisting pharmaceutical companies of innovative drugs in their going-global plan to expand into the Southeast Asian market, and develop into international listed companies. In 2025, the Group will set up its Southeast Asian headquarters in Singapore, focus on the Vietnamese market, introduce overseas healthcare products and put into localized operation, so as to achieve regional resource integration and differentiated competition. In addition, MedSci Healthcare will provide pharmaceutical companies of innovative drugs with full-chain services, including market research, clinical trial support, pharmacovigilance, market access and pricing strategies, as well as digital marketing and academic promotion, to facilitate successful going-global of pharmaceutical companies and enhance their international competitiveness. By building a closed-loop model of content, services and products, enhancing the stability of the supply chain, and continuously optimising the service models and technological means, MedSci Healthcare will continue to enhance its overall competitiveness, promote international development in a bid to become a listed company with global influence.

Vision 2: We will develop a healthcare value ecosystem under tripartite collaboration and accelerate digital transformation

Centering on "physician-patient-pharmaceutical company" tripartite collaboration, the TriCura platform intensively integrates RWS data and AI technology to establish a closed-loop healthcare value ecosystem covering oncology, chronic diseases and consumer healthcare areas. Through the three major core modules of AI-assisted generation of academic reports, intelligent medication management, and pharmaceutical company data services, the platform shortens the data acquisition cycle to less than 6 months, and opens up the commercialization chain by leveraging the point-based incentive system and compliant distribution network. At the same time, the platform strengthens data security and compliance with blockchain-based evidence storage and dynamic desensitization technology. These, coupling with top-class industry expert resources (KOL network) and digital marketing channels of MedSci Healthcare, will foster a differentiated competitive advantage. The 2025 strategy will focus on the in-depth application of multi-scenarios and ecological capacity expansion, strive to develop into a healthcare data-driven value hub, promote the transformation of the industry from traditional services to precision and synergistic collaboration, thereby realizing win-win situation and sustainable development of various parties in the ecosystem.

Vision 3: Aiming at AI-powered high-quality development of MedSci Healthcare to support the AI-based development of customers

In the medical and pharmaceutical industry, high quality data analysis, precision academic research, and stringent compliance requirements are of paramount importance. By utilizing AI technology, *MedSci* (梅斯醫學) not only enhances its research capabilities and operational efficiency, but also provides customers with more precise and reliable AI solutions.

AI can quickly parse massive medical literature to extract key information, and increase the efficiency of researchers in acquiring information. AI can optimise the clinical trial protocols, uplift the precision of patient screening, and mitigate the risks and costs of such trials. Additionally, AI-powered prediction models can assist pharmaceutical companies in formulating their marketing strategies with higher precision and boosting the efficiency of the medicine supply chain.

At the same time, *MedSci* takes a variety of measures to minimize AI bias and increase the reliability in AI applications. In compliance with GxP (good practice standards), GDPR, HIPAA and other industry regulations, *MedSci* ensures that AI applications meet ethical requirements. A review mechanism for AI-related ethical issues is in place to avoid discrimination or bias of AI algorithms adopted in medical decision making.

MedSci AI not only serves as an independent tool, but can also be deeply integrated into the digital platforms of customers to provide them with AI-powered services, thus facilitating the general digitalised upgrade of the industry. AI-powered intelligent search engine can help physicians and pharmaceutical companies obtain precise medical information they need. AI can analyze medicine market trends, optimise the supply chains and marketing strategies, and enhance competitiveness of the industry accordingly. Besides, the AI-powered intelligent customer service system can answer medical-related queries and improve the response time of services.

With AI technology, *MedSci* will spearhead the AI-based transformation of itself and customers, optimising medical research, manufacturing processes of medicine and clinical practices while ensuring the priority of the scientific, compliant and fair principles. Notably, MedSci AI can be deeply integrated with the digital platforms of customers in an effort to support the digitalised upgrade and bolster the efficiency of the entire industry, thereby introducing a strong impetus for the high-quality development of the pharmaceutical and medical sector.

FINANCIAL STATEMENTS AND PRINCIPAL NOTES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
REVENUE	*4*	**260,623**	349,194
Cost of sales		**(98,449)**	(132,587)
GROSS PROFIT		**162,174**	216,607
Other income and gains	*4*	**41,314**	35,310
Selling and distribution expenses		**(78,810)**	(90,492)
Administrative expenses		**(61,193)**	(56,404)
Research and development expenses	*5*	**(23,238)**	(39,855)
Impairment losses on financial and contract assets		**(14,180)**	(13,616)
Fair value gains on convertible redeemable preferred shares		**—**	12,785
Other expenses		**(418)**	(3,609)
Finance costs		**(152)**	(276)
PROFIT BEFORE TAX	*5*	**25,497**	60,450
Income tax expenses	*6*	**(530)**	(5,408)
PROFIT FOR THE YEAR		**24,967**	55,042
Attributable to:			
Owners of the parent		**24,967**	55,042
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Translation difference of the Company's financial statements into presentation currency		**4,322**	30,394

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the foreign operations		**(55)**	143
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**4,267**	30,537
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**29,234**	85,579
Attributable to owners of the parent		**29,234**	85,579
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	*8*	**0.05**	0.11
Diluted	*8*	**0.05**	0.08

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**15,663**	16,403
Right-of-use assets		**2,407**	5,362
Intangible assets		**2,155**	2,683
Prepayments and other receivables		**5,211**	801
Deferred tax assets		**2,833**	3,342
Total non-current assets		**28,269**	28,591
CURRENT ASSETS			
Trade receivables	*9*	**33,026**	34,765
Contract assets		**68,133**	88,637
Due from a related party		**2,524**	—
Prepayments, deposits and other receivables		**13,150**	8,722
Financial assets at fair value through profit or loss		**552,882**	501,892
Time deposits		**284,313**	451,074
Cash and bank balances		**366,959**	181,920
Total current assets		**1,320,987**	1,267,010
CURRENT LIABILITIES			
Trade payables	*10*	**2,031**	2,052
Other payables and accruals		**174,549**	162,137
Lease liabilities		**1,792**	3,992
Tax payables		**989**	6,397
Total current liabilities		**179,361**	174,578
NET CURRENT ASSETS		**1,141,626**	1,092,432
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,169,895**	1,121,023

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**207**	644
Total non-current liabilities		**207**	644
NET ASSETS		**1,169,688**	1,120,379
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*11*	**420**	420
Treasury shares	*11*	**(582)**	(42,037)
Reserves		**1,169,850**	1,161,996
TOTAL EQUITY		**1,169,688**	1,120,379

PRINCIPAL NOTES TO CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

MedSci Healthcare Holdings Limited (the "**Company**") is incorporated in Cayman Islands on 22 June 2021 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company. During the year ended 31 December 2024, the principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are provision of physician platform solutions, precision omni-channel marketing solutions, and real-world study solutions (collectively the "**Listing Business**") in the People's Republic of China (the "**PRC**").

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 27 April 2023 (the "**Listing Date**").

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") promulgated by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth management products which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1) the contractual arrangement with the other vote holders of the investee;

2) rights arising from other contractual arrangements; and

3) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to IAS 7 and IFRS7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of physician platform solutions, precision omni-channel marketing solutions and real-world study solutions in the Chinese Mainland.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of the resource allocation and assessment of performance does not contain discrete operating segment financial information and directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the year, the Group operated within one geographical segment because all of its revenue was generated in the Chinese Mainland and the majority of its long-term assets/capital expenditures were located/incurred in the Chinese Mainland. Accordingly, no further geographical segment information is presented.

Information about major customers

There was no revenue from sales to a single customer or a group of customers under common control amounting to 10% or more of the Group's revenue for the years ended 31 December 2023 and 2024.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue		
Revenue from contracts with customers	**260,623**	349,194

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

	Physician platform solutions	**Precision omni-channel marketing solutions**	**Real-world study solutions**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Types of goods or services				
Provision of services	**109,771**	**115,097**	**35,755**	**260,623**
Geographical markets				
Chinese Mainland	**109,771**	**115,097**	**35,755**	**260,623**
Timing of revenue recognition				
Over time	**109,771**	**115,097**	**35,755**	**260,623**
Total	**109,771**	**115,097**	**35,755**	**260,623**

For the year ended 31 December 2023

	Physician platform solutions *RMB'000*	Precision omni-channel marketing solutions *RMB'000*	Real-world study solutions *RMB'000*	Total *RMB'000*
Types of goods or services				
Provision of services	120,045	173,764	55,385	349,194
Geographical markets				
Chinese Mainland	120,045	173,764	55,385	349,194
Timing of revenue recognition				
Over time	120,045	173,764	55,385	349,194
Total	120,045	173,764	55,385	349,194

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of each of the reporting period:

	2024 ***RMB'000***	2023 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of year	**94,214**	107,234

(b) Performance obligations

Information about the Group's performance obligations is summarized below:

Physician platform solutions

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Precision omni-channel marketing solutions and real-world study solutions

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 180 days from the date of billing. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Other income and gains

	2024	2023
	RMB'000	*RMB'000*
Other income		
Bank interest income	**16,197**	15,371
Tax linked incentives by local authorities	**148**	3,569
Government grants*	**1,471**	8,954
Value-added tax additional deduction	**—**	374
Others	**92**	68
Total other income	**17,908**	28,336
Gains		
Fair value gain on financial assets at fair value through profit or loss	**23,406**	6,974
Total other income and gains	**41,314**	35,310

* Various government grants have been received for operation within Shanghai, Chinese Mainland, to reward business performance and support operational development of enterprises in that area. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Cost of services provided**		**55,880**	76,596
Depreciation of property, plant and equipment		**921**	1,141
Depreciation of right-of-use assets		**5,602**	6,555
Amortisation of intangible assets		**672**	654
Research and development expenses*		**23,238**	39,855
Impairment/(reversal of Impairment) of financial assets, net:			
— Trade receivables		**426**	(35)
— Contract assets		**13,592**	13,632
— Other receivables		**162**	19
Lease payment not included in the measurement of lease liabilities		**30**	72
Bank interest income	*4*	**(16,197)**	(15,371)
Tax incentives	*4*	**(148)**	(3,943)
Fair value gains on convertible redeemable preferred shares		**—**	(12,785)
Fair value gain on financial assets at fair value through profit or loss	*4*	**(23,406)**	(6,974)
Listing fee		**—**	13,250
Auditor remuneration		**2,600**	2,680
Employee benefit expenses (including directors' and chief executive's remuneration):			
Salaries, bonus and other allowances		**119,828**	139,718
Pension scheme contributions and social welfare		**29,780**	35,587
Equity-settled share-based payments		**19,062**	5,370
Total		**168,670**	180,675

* The amounts disclosed for research and development expenses included direct employee costs and overhead costs (e.g., depreciation of the related equipment).

** Cost of services provided represents "Cost of sales" in the consolidated statement of profit or loss excluding employee benefit expense, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and the Group's subsidiary incorporated in the British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong and the United States were not liable for income tax as the subsidiary in Hong Kong did not have any assessable profits arising in Hong Kong and the subsidiary in the United States has tax losses during the year ended 31 December 2024.

The provision for current income tax in Chinese Mainland is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, except for Shanghai MedSci MedTech Co., Ltd., a subsidiary of the Group. Shanghai MedSci was accredited as a high and new technology enterprise ("**HNTE**") and reapplied the certification in 2023. The certification will be valid for three years. Therefore, Shanghai MedSci was entitled to a preferential PRC Corporate Income tax rate of 15% for the year ended 31 December 2024 (2023: 15%).

Corporate income tax of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Chinese Mainland during the year ended 31 December 2024. The major components of income tax expense of the Group are as follows:

	2024	2023
	RMB'000	*RMB'000*
Current — Chinese Mainland:		
Charge for the year	**21**	7,444
Deferred tax	**509**	(2,036)
Total tax charge for the year	**530**	5,408

A reconciliation of tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the majority of the Company's subsidiaries are domiciled to the income tax expense at the effective tax rate for each of the reporting periods is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**25,497**	60,450
Tax at the statutory tax rate of 25% in Chinese Mainland	**6,374**	15,113
Preferential tax rates enacted by local authority	**(5,181)**	(3,918)
Fair value losses on convertible redeemable preferred shares not deductible for tax	**—**	(3,196)
Additional deductible allowance for qualified research and development expenses	**(3,271)**	(4,164)
Expenses not deductible for tax	**894**	926
Tax losses not recognised	**1,714**	647
Tax charge at the Group's effective tax rate	**530**	5,408

7. DIVIDENDS

The directors do not recommend any interim or final dividend in the respective of the period/year.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts are based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 540,566,948 outstanding during the year, as adjusted to reflect the rights issue during the year (2023: 518,070,865).

No adjustment has been made to the basic profit per share amounts presented for the year ended 31 December 2024 in respect of a dilution as the impact of the awarded interests/shares of the Company's/Shanghai MedSci's share incentive plan had an antidilutive effect on the basic earnings/loss per share amounts presented.

For the year ended 31 December 2023, the calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year ended 31 December 2023, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
	RMB'000	*RMB'000*
EARNINGS		
Earnings attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**24,967**	55,042
Less: Fair value gains on convertible redeemable preferred shares	**—**	12,785
Earnings attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	**24,967**	42,257

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**540,566,948**	518,070,865
Effect of dilution — weighted average number of ordinary shares: Convertible redeemable preferred shares	**—**	563,142
Total	**540,566,948**	518,634,007

9. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**34,633**	35,946
Impairment	**(1,607)**	(1,181)
Net carrying amount	**33,026**	34,765

Trade receivable mainly arise from real-world study solutions and precision omni-channel marketing solutions.

The Group's trading terms with its customers are generally on credit, details of which are included in note 4. The credit terms granted ranged up to 180 days, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**28,419**	29,718
Over 6 months and within 1 year	**2,568**	4,114
1 to 2 years	**1,992**	887
2 to 3 years	**47**	46
Total	**33,026**	34,765

10. TRADE PAYABLES

An ageing analysis of the trade payables based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**2,031**	2,052

The trade payables are non-interest-bearing and are normally settled on terms of three months.

11. SHARE CAPITAL AND TREASURY SHARES

	2024 Number of shares	**2024** Amount *RMB'000*	2023 Number of shares	2023 Amount *RMB'000*
Authorised:				
Ordinary shares of USD0.0001 each	**15,000,000,000**	**10,361**	15,000,000,000	10,361
Issued:				
Ordinary shares of USD0.0001 each	**607,170,950**	**420**	607,170,950	420
Treasury shares held	**(66,488,745)**	**(582)**	(71,330,450)	(42,037)

A summary of movements in the Company's share capital and treasury share is as follows:

	Number of ordinary shares	**Amount** *RMB'000*	**Number of treasury shares**	**Amount** *RMB'000*
At 1 January 2023	7,988,403	5	(1,321,309)	—*
Conversion of convertible preferred shares to ordinary shares (a)	1,077,315	1	—	—
Conversion of convertible redeemable preferred shares (b)	1,741,921	1	—	—
Capitalisation Issue (c)	529,574,311	367	(64,744,141)	(30)
Issue of shares from IPO (d)	66,789,000	46	—	—
Shares repurchased (e)	—	—	(5,265,000)	(42,007)
At 31 December 2023 and 1 January 2024	607,170,950	420	(71,330,450)	(42,037)
Shares repurchased (f)	—	—	(400,000)	(366)
Shares granted for a share award scheme (g)	—	—	5,241,705	41,821
At 31 December 2024	607,170,950	420	(66,488,745)	(582)

* *Amount less than RMB1,000.*

(a) All convertible preferred shares were automatically converted into ordinary shares on a one for one basis upon the successful IPO of the Company on 27 April 2023. As a result, the equity instruments for convertible preferred shares were derecognised and recorded as share capital and share premium.

(b) All convertible redeemable preferred shares were automatically converted into ordinary shares on a one for one basis upon the successful IPO of the Company on 27 April 2023. As a result, the financial liabilities of convertible redeemable preferred shares were derecognised and recorded as share capital and share premium.

(c) Pursuant to the written resolution of the shareholders of the Company passed on 28 March 2023, and subject to the share premium account of the Company being credited as a result of the issue of the offer shares pursuant to the Global Offering, a total of 529,574,311 shares credited as fully paid at par were allotted and issued on the Listing Date ("**27 April 2023**") to the holders of shares whose names appear on the register of members of the Company on the day preceding the Listing Date in proportion to their then existing shareholdings in the Company (on the basis that each Preferred Share was converted into one share) by capitalising the relevant sum from the share premium account of the Company ("**Capitalisation Issue**"). The shares allotted and issued pursuant to the above Capitalisation Issue will rank pari passu in all respects with the existing issued shares.

(d) In connection with the Company's IPO on 27 April 2023, 66,789,000 ordinary shares were issued and allotted at an offer price of HKD9.10 per share for a total gross cash consideration of HKD607,780,000 (equivalent to RMB535,880,000).

(e) During the year ended 31 December 2023, amounted to 5,265,000 of the Company's issued shares were purchased by a trustee under 2023 Plan at a total consideration of approximately HK$45,777,000 (equivalent to approximately RMB42,007,000).

(f) During the year ended 31 December 2024, amounted to 400,000 of the Company's issued shares were purchased under 2023 Plan at a total consideration of approximately HK$401,000 (equivalent to approximately RMB366,000).

(g) During the year ended 31 December 2024, amounted to 5,241,705 of treasury shares amounted to approximately RMB41,821,000 were vested to Mr. Fan Jie.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

In 2024, we generated revenue primarily from three main business lines, namely (i) precision omni-channel marketing solutions; (ii) physician platform solutions; and (iii) RWS solutions. Our total revenue decreased by 25.4% from approximately RMB349.2 million for the Corresponding Period to approximately RMB260.6 million for the Reporting Period, mainly attributable to (i) prolonged compliance review times for both pharmaceutical and medical device companies, as well as hospital doctors, who faced heightened compliance requirements under current national standards, resulting in an extension of project execution; and (ii) squeezing of profit margin for pharmaceuticals and medical devices under the continued progress of negotiations on medical insurance and the centralized procurement policy for drugs in 2024, which resulted in reduced marketing budgets of the pharmaceutical and medical device companies.

(i) Precision omni-channel marketing solutions

Revenue from precision omni-channel marketing solutions is primarily derived from fees paid by pharmaceutical and medical device companies in engaging us for precision detailing services, medical content creation services and online survey services. Revenue from precision omni-channel marketing solutions decreased by approximately 33.8% from approximately RMB173.8 million for the year ended 31 December 2023 to approximately RMB115.1 million for the year ended 31 December 2024, mainly attributable to the delayed confirmation of orders, which resulted in deferred recognition of revenue. Growth is expected to resume gradually in the year of 2025. Some of our major collaborative customers significantly reduced their demand for products as a result of centralized procurement, which in turn affected the overall revenue. We have been aware of a notable trend of rapid growth and substitution of emerging customers. At the same time, we have expanded the scope of collaboration to mitigate the impact of centralized procurement and other factors on our business.

(ii) Physician platform solutions

Revenue from physician platform solutions is primarily derived from (i) service fees paid by physicians for engaging us for clinical study assistance services; and (ii) subscription fees paid by physicians for accessing certain premium academic medical contents on the *MedSci* platform. Revenue from physician platform solutions decreased by approximately 8.6% from approximately RMB120.0 million for the year ended 31 December 2023 to approximately RMB109.8 million for the year ended 31 December 2024, mainly attributable to the fact that with the rapid development of AI, some of the functions of the IIT-related products were completed directly by customers utilizing AI, which in turn affected the total revenue. With the Company's investment in AI products, there was a significant increase in IIT membership payments.

(iii) RWS solutions

Revenue from RWS solutions is primarily derived from service fees paid by pharmaceutical and medical device companies in engaging us to design, administer and execute real-world evidence-based research projects to help expand their medical products' indication and recognition. Revenue from RWS solutions decreased by approximately 35.4% from approximately RMB55.4 million for the year ended 31 December 2023 to approximately RMB35.8 million for the year ended 31 December 2024, mainly attributable to (i) the extended project negotiation cycle due to the impact of the domestic anti-corruption policies and transformation of the pharmaceutical market; (ii) slow enrolment of investigators due to their lack of motivation, which resulted in a reduction in the number of completed projects.

Cost of Sales

Our cost of sales primarily consists of (i) staff salaries and benefits relating to employee benefit expenses incurred for employees involved in operating our platform and offering our solutions to customers; (ii) content development costs primarily relating to content development fees paid to various content contributors, copyright owners and other third parties to produce contents for our solutions offering; (iii) meeting affair charge relating to offline academic conferences we organised; and (iv) various other miscellaneous expenses such as, among others, office expenses and depreciation and amortisation incurred during the ordinary course of our business. Our cost of sales decreased by approximately 25.7% from approximately RMB132.6 million for the year ended 31 December 2023 to approximately RMB98.4 million for the year ended 31 December 2024, mainly attributable to the production costs arising from the change of outsourcing to in-house production and the enhancement of efficiency of production personnel. Our content development costs decreased by approximately 31.0% from approximately RMB70.6 million for the year ended 31 December 2023 to approximately RMB48.4 million for the year ended 31 December 2024, mainly attributable to the production costs arising from the change of outsourcing to in-house production.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by approximately 25.1% from approximately RMB216.6 million for the year ended 31 December 2023 to approximately RMB162.2 million for the year ended 31 December 2024. For the year ended 31 December 2024, our gross profit margin was approximately 62.2%, representing a slight increase as compared to approximately 62.0% in 2023.

Other Income and Gains

Our other income primarily consists of (i) bank interest income; (ii) tax incentives granted by local authorities; (iii) government grants; (iv) value-added tax; (v) fair value gains on financial assets through profit or loss and (vi) others. For the year ended 31 December 2024, our other income and gains were approximately RMB41.3 million, as compared to approximately RMB35.3 million for the Corresponding Period. The increase was mainly attributable to the increase in bank interest income and fair value gains on financial assets through profit or loss.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) staff salaries and benefits mainly including expenses paid to employees performing selling and distribution functions; (ii) traveling expenses mainly including traveling fees incurred by our employees in performing selling and distribution functions; (iii) professional fees in relation to fees paid to external lecturers in hosting our online courses; (iv) business development expenses mainly including marketing-associated costs in relation to various online and offline campaigns; and (v) other miscellaneous expenses, such as, office expenses and depreciation and amortisation in relation to property, office equipment and electronic equipment in association with selling and distribution functions. Our selling and distribution expenses decreased by approximately 12.9% from approximately RMB90.5 million for the year ended 31 December 2023 to approximately RMB78.8 million for the year ended 31 December 2024, mainly attributable to the enhancement of efficiency of sales personnel and the improvement in the refined management capability of the Company.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee salaries and benefits, which primarily include salaries and benefits paid to employees performing research and development duties; (ii) depreciation and amortisation of properties, office equipment and electronic equipment related to research and development functions; (iii) technical service fees in relation to research and development service fees; (iv) procurement fees for software and servers, etc. related to R&D activities; and (v) other miscellaneous expenses. Our research and development expenses decreased by approximately RMB16.6 million for the year ended 31 December 2023 to approximately RMB23.2 million for the year ended 31 December 2024, mainly due to the shift of R&D from outsourcing to in-house and the enhancement of efficiency of R&D personnel as a result of the introduction of AI tools by the Group.

Administrative Expenses

Our administrative expenses primarily consist of (i) staff salaries mainly including salaries and benefits paid to employees performing administrative functions; (ii) depreciation and amortisation in relation to property, office equipment and electronic equipment in association with administrative functions; (iii) external consulting fees in relation to auditing fees, service fees paid for external training and service fees paid to employment agencies; (iv) office expenses in relation to administrative functions; (v) share-based payment in relation to the equity incentive plan; (vi) listing expenses in relation to the Global Offering; and (vii) other miscellaneous fees such as travelling expenses and utility expenses incurred during the ordinary course of our business when performing administrative functions. Our administrative expenses increased by approximately 8.5% from approximately RMB56.4 million for the year ended 31 December 2023 to approximately RMB61.2 million for the year ended 31 December 2024, mainly attributable to the realisation of the Company's equity incentive fund.

Finance Costs

Our finance costs primarily represent interest on our lease liabilities. Our finance costs decreased by approximately 44.9% from approximately RMB0.3 million for the year ended 31 December 2023 to approximately RMB0.1 million for the year ended 31 December 2024, mainly attributable to the rational integration of leasing resources and the year-by-year amortisation and dilution of leasing resources by the Group.

Profit before Tax

As a result of the foregoing, we generated a profit before tax of approximately RMB25.5 million for the Reporting Period as compared to approximately RMB60.5 million for the Corresponding Period.

Income Tax Expenses

Our income tax expense decreased from approximately RMB5.4 million for the year ended 31 December 2023 to approximately RMB0.5 million for the year ended 31 December 2024, mainly attributable to the shrinking of revenues from principal business.

Profit for the Year and Profit Attributable to Owners of the Parent

As a result of the foregoing, our profit for the year decreased by approximately 54.6% from approximately RMB55.0 million for the year ended 31 December 2023 to approximately RMB25.0 million for the year ended 31 December 2024. Our profit attributable to owners of the parent for the year decreased by approximately 54.6% from approximately RMB55.0 million for the year ended 31 December 2023 to approximately

RMB25.0 million for the year ended 31 December 2024. Our net profit margin decreased from approximately 15.8% for the year ended 31 December 2023 to approximately 9.6% for the year ended 31 December 2024.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended 31 December 2024, we mainly financed our future capital requirements through cash generated from our business operations, and the net proceeds from the Global Offering. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

The unutilised portion of the net proceeds raised by the Company from the Global Offering was placed with the licensed financial institutions as short-term deposits.

Cash and Cash Equivalents

The Group operates its business in the China and its transactions and revenue were primarily denominated in Renminbi. As such, the Group did not have material exposure to fluctuations in foreign currency exchange rates for cash generated from its operating activities. However, the net proceeds received by the Company from the Global Offering are denominated in Hong Kong dollars and the Company is exposed to fluctuation of exchange rate between RMB and Hong Kong dollars. The net proceeds raised by the Group from the Global Offering in April 2023 was approximately HKD526.8 million. As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately RMB366.9 million (mainly including cash at banks), as compared to approximately RMB628.6 million as at 31 December 2023.

The Group currently do not have any hedging policy for foreign currencies in place. However, the Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

Banking Facilities

For the year ended 31 December 2024, we did not have any banking borrowings or other interest-bearing borrowings, nor did we have outstanding bank and other borrowings and other debts, save for the lease liabilities for the relevant lease terms amounting to approximately RMB1.8 million in aggregate.

Gearing Ratio

As at 31 December 2024, the gearing ratio, which is calculated by dividing borrowings by total equity, is zero as there was no debt.

Charge on Assets

As at 31 December 2024, we did not pledge any of our assets.

Capital Expenditure

As at 31 December 2024, we did not have any significant capital expenditure.

Capital Commitment

As at 31 December 2024, we did not have any significant capital commitment.

Contingent Liabilities

As at 31 December 2024, we did not have any material contingent liabilities.

Employees and Remuneration Policies

As at 31 December 2024, the Group has a total of 488 full-time employees, all of who are based in China. In particular, 11 employees are responsible for the Group's management, 207 employees for platform operation and customer services, 42 employees for research and development, 28 employees for general and administration, and 200 employees for sales and marketing.

For the year ended 31 December 2024, the total staff cost incurred by the Group was approximately RMB167.9 million, as compared to approximately RMB180.7 million for the same period in 2023.

The Group provides our employees with salaries and bonuses, as well as employee benefits, including employee retirement benefit schemes, medical and vocational injury insurance schemes and housing provident fund schemes. Our employees located in China are covered by the mandatory social security schemes defined by PRC local practice and regulations, which are essentially defined contribution schemes.

The Group provides orientation and training to new recruits as well as ongoing in-house training for junior employees, which the Group believes can enhance the skills and productivity of its employees. The Group compensates employees with base salaries and performance-based bonuses.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Company's development and protection of the interests of its shareholders. The Company has adopted the relevant code provisions of the Corporate Governance Code as the basis for its corporate governance practices.

The Board is of the view that the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code for the year ended 31 December 2024. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

Compliance with Model Code

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's employees who, because of his/her office or employment, are likely to possess inside information. Specific enquiries have been made by the Company to all Directors, and the Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2024. No incident of non-compliance of the Model Code by the employees was identified by the Company during the year ended 31 December 2024.

Purchase, Sale or Redemption of Listed Securities

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 31 December 2024, there were no treasury shares held by the Company or any of its subsidiaries.

Use of Proceeds

The Shares of the Company were listed on the Main Board of the Stock Exchange on 27 April 2023 at HKD9.10 per share, with net proceeds received by the Company from the Global Offering in the amount of approximately HKD526.8 million after deducting underwriting commissions and all related expenses. The following table sets forth the Company's use of the proceeds from the Global Offering as at 31 December 2024:

	Approximate % of the total net proceeds	Net proceeds from the Global Offering	Unutilised amount (as at 1 January 2024)	Utilised amount (from 1 January 2024 to 31 December 2024)	Unutilised amount (as at 31 December 2024)
		HKD'million	*HKD'million*	*HKD'million*	*HKD'million*
Business expansion	45	237.1	237.1	5	232.1 *Note 2*
Further technology development	35	184.4	162.7	23.2	139.5 *Note 2*
Potential investments and acquisitions or strategic alliance with companies that can generate synergies with our business	15	79.0	79.0	5.3	73.7
Working capital and general corporate purposes	5	26.3	—	—	—
Total	100.0	526.8	478.8	33.5	445.3

Notes:

(1) The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances.

(2) According to the Prospectus, certain parts of the net proceeds were expected to be utilised before December 2024. Taking into account the Group's operation and financial status, the expected time to fully utilise the net proceeds for "Business expansion" and "Further technology development" has been updated to December 2026.

The unutilised net proceeds as at 31 December 2024 amounted to HKD445.3 million. Save as disclosed, the Group will gradually utilise the net proceeds in accordance with the intended purposes and timeline as stated in the Prospectus.

Significant Investments, Acquisition and Disposals

Except for investment in subsidiaries, there were no significant investments held by the Group as at 31 December 2024. The Group had no other material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the aforementioned section headed "Use of proceeds" in this announcement, the Group did not have plan for material investments and capital assets as at the date of this announcement.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The audit committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors, namely Ms. Liu Tao, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley. The chairwoman of the Audit Committee is Ms. Liu Tao.

The Audit Committee has, together with the management of the Company, reviewed the consolidated financial statements of the Group for the year ended 31 December 2024 and accounting principles and practices adopted for the Group, as well as the risk management and internal control systems of the Group and the effectiveness of the Group's internal audit functions for the year ended 31 December 2024, and agreed with the accounting treatments adopted by the Group, and was of the opinion that the preparation of the financial statements in this announcement complies with the applicable accounting standards and the requirements under the Listing Rules and adequate disclosures have been made.

Scope of Work of the Auditor

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2024, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no other significant events occurred subsequent to 31 December 2024 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The 2025 annual general meeting of the Company ("**2025 AGM**") will be held on Monday, 30 June 2025. Shareholders should refer to details regarding the 2025 AGM in the circular to be published by the Company and the notice of meeting and form of proxy accompanying therewith.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2025 AGM to be held on Monday, 30 June 2025, the register of members of the Company will be closed from Wednesday, 25 June 2025 to Monday, 30 June 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 June 2025 (Hong Kong time).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (ir.medsci.cn).

The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders (if requested) and will be published on the aforementioned websites of the Stock Exchange and the Company in due course.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"AI"	artificial intelligence, an area of computer science that focuses on simulating human intelligence by machines
"Board"	the board of Directors of our Company
"China", "Mainland China", "Chinese Mainland" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, excluding Taiwan, the Macao Special Administrative Region and Hong Kong
"Company"	MedSci Healthcare Holdings Limited (stock code: 2415), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Corresponding Period"	the year ended 31 December 2023
"Director(s)"	the director(s) of the Company
"Global Offering"	the global offering of the Shares pursuant to the terms and conditions as stated in the Prospectus
"Group", "our Group", "our", "we", or "us"	our Company and our subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"KOL(s)"	key opinion leader(s), person(s) who have expert knowledge and influence in a respective field
"Listing Date"	27 April 2023
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus issued by the Company dated 17 April 2023
"R&D"	research and development
"Reporting Period"	the year ended 31 December 2024
"RMB"	the lawful currency of the PRC
"RWS"	real world study, a systematic collection of data generated from drugs and medical devices in real world settings and clinical application scenarios, and research using evidence-based medicines and clinical epidemiology methods
"Shares"	ordinary shares in the share capital of the Company with a nominal value of US$0.0001 each
"Shareholders"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"%"	per cent.

By order of the Board
MedSci Healthcare Holdings Limited
梅斯健康控股有限公司
Dr. Zhang Fabao
Chairman of the Board and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Dr. Zhang Fabao, Dr. Li Xinmei, Mr. Wang Shuai and Mr. Cheng Liang, as executive Directors; Ms. Wang Xin and Mr. Yan Shengfeng, as non-executive Directors; and Ms. Liu Tao, Mr. Yu Mingyang and Mr. Lau Yiu Kwan Stanley, as independent non-executive Directors.